

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP. TO REVISE) CASE NO.
A DEMAND-SIDE MANAGEMENT PROGRAM) 2017-00279

ORDER

On July 5, 2017, Kenergy Corp. ("Kenergy") filed revised tariff sheets proposing revisions to its existing Residential Weatherization A La Carte Program with an effective date of July 31, 2017.¹ Kenergy also proposed a revision to page 4 of its Index.

Commission Staff requests for information were sent to Kenergy on July 6, 11, and 17, 2017, via electronic mail. Kenergy's responses, which were received on July 7, 14, and 18, 2017, via electronic mail, are attached as an Appendix to this Order.

Pursuant to KRS 278.180(1), no change shall be made by any utility in any rate except upon 30 days' notice to the Commission. Kenergy has requested that the notice period be reduced, pursuant to KRS 278.180(2), so that the effective date of its proposed tariff revisions coincides with the effective date of the proposed revisions filed by Big Rivers Electric Corporation ("Big Rivers"), which revisions are similar to those proposed by Kenergy. Because the proposed effective date associated with Big Rivers' revised tariff filing² has been suspended,³ the Commission finds that Kenergy's request to shorten the notice period should be denied. Accordingly, the Commission further

¹ TFS2017-00376

² TFS2017-00373

³ Case No. 2017-00278, *Tariff Filing of Big Rivers Electric Corporation to Revise Certain Demand-Side Management Programs* (Suspension Order issued on July 26, 2017).

finds that the earliest date Kenergy's proposed tariff revisions could become effective is August 4, 2017.

Having reviewed the proposed revisions and Kenergy's responses to the July 11 and 17, 2017 requests for information, the Commission finds that this proceeding should be established to investigate the reasonableness of Kenergy's proposed tariff revisions. The Commission further finds that such investigation cannot be completed prior to the effective date of the proposed revisions. Accordingly, the proposed effective date should be suspended for up to five months, pursuant to KRS 278.190(2). The Commission will make every reasonable efforts to complete its investigation of Kenergy's proposed tariff revisions coincident with our investigation of Big Rivers' proposed tariff revisions.

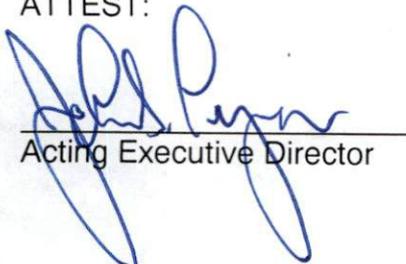
IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of Kenergy's proposed tariff revisions.
2. Kenergy's request that the notice period be reduced is denied.
3. The proposed tariff revisions, which are proposed to be effective on August 4, 2017, are suspended for five months, up to and including January 3, 2018.

By the Commission

ENTERED
JUL 26 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

Case No. 2017-00279

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00279 DATED **JUL 26 2017**

From: Steve Thompson
Sent: Thursday, July 06, 2017 2:43 PM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: RE: KY-PSC Electronic Tariff Filing Center Final TariffID: TFS2017-00376

Please consider that the tariff sheet needs to be synchronized with the Big Rivers tariff sheet effective date filed on Friday, June 30th.

Kenergy would like to request the 20 day notice period that is allowed and request a deviation from the 30 day notice period.

thanks

From: PSC - Tariffs [<mailto:psc.tariffs@ky.gov>]
Sent: Thursday, July 06, 2017 1:19 PM
To: Steve Thompson
Subject: RE: KY-PSC Electronic Tariff Filing Center Final TariffID: TFS2017-00376

Mr. Thompson,

Since this filing was submitted on July 5, the earliest it can become effective is August 4 due to the fact that the Commission must receive at least 30 days' notice.

Therefore, we'll need revised tariff pages reflecting an August 4, 2017 effective date. The revised tariff pages can be e-mailed to us at psc.tariffs@ky.gov.

If you have any questions, please give me a call at (502) 564-3940 or respond to this e-mail.

Thanks.

Daniel

From: KY_PSC Filings [<mailto:psc.tariffs@ky.gov>]
Sent: Thursday, July 06, 2017 8:30 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: KY-PSC Electronic Tariff Filing Center Final TariffID: TFS2017-00376

TFS2017-00376 has been received. Use the following link to access documents related to this filing.
<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2017-00376> Thank you.

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P.O. Box 18• 6402 Old Corydon Road
Henderson, Kentucky 42419
(800) 844-4832

July 7, 2017

Talina R. Mathews, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Kenergy Corp. Notice and filing of Revised DSM Tariff Sheets

Dear Ms. Mathews:

Kenergy requests the effective date to be July 31, 2017 to coincide with the effective date of the tariff Big Rivers filed June 30, 2017.

Sincerely,

A handwritten signature in black ink that reads "Steve Thompson". The signature is written in a cursive, flowing style.

Steve Thompson
Vice-President Finance
Kenergy Corp.

From: Travis Siewert [REDACTED]
Sent: Friday, July 14, 2017 3:04 PM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Cc: Steve Thompson [REDACTED]; David Hamilton [REDACTED]
Subject: RE: tariff revisions

Daniel,

The revised Sheet 55 and revised Index are attached.

Travis Siewert | Manager of General Accounting
(o) 800.844.4832 | [REDACTED]
PO Box 1389, Owensboro KY 42302



From: Steve Thompson
Sent: Friday, July 14, 2017 11:14 AM
To: Travis Siewert [REDACTED]
Subject: FW: tariff revisions

FYI.

From: PSC - Tariffs [mailto:psc.tariffs@ky.gov]
Sent: Friday, July 14, 2017 11:11 AM
To: Steve Thompson [REDACTED]
Subject: RE: tariff revisions

That looks good.

You can send us a revised tariff page to psc.tariffs@ky.gov and we will incorporate it into the filing.

We will also need a revised index page removing the word "Pilot" from the Residential Weatherization A La Carte Program.

If you have any questions, please give us a call at (502) 564-3940 or respond to this e-mail.

Thanks.

Daniel

From: Steve Thompson [REDACTED]
Sent: Friday, July 14, 2017 10:49 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: RE: tariff revisions

See attached response.

From: PSC - Tariffs [<mailto:psc.tariffs@ky.gov>]
Sent: Friday, July 14, 2017 9:08 AM
To: Steve Thompson [REDACTED]
Subject: RE: tariff revisions

Mr. Thompson,

Have you been able to address the questions below?

Thanks.

Daniel

From: PSC - Tariffs
Sent: Tuesday, July 11, 2017 7:45 AM
To: 'Steve Thompson' [REDACTED]
Subject: RE: tariff revisions

Mr. Thompson,

While reviewing the modifications to Kenergy's Residential Weatherization A La Carte Program, Staff noticed several differences in the Terms and Conditions #1 between Kenergy's proposal and Big Rivers' proposal.

- The first sentence in Big Rivers' proposal states: "The eligible Rural Customer will contract with a qualified third party Contractor that performs weatherization projects, including duct sealing." It appears that Kenergy has deleted the words "weatherization projects" in its proposal. Should those words be added back in to Kenergy's proposal?
- The last sentence in Big Rivers' proposal states: "Failure to meet KDHBC work and documentation standards may void any Big Rivers or Member reimbursements outlined below." Kenergy deleted the following sentence from its proposal: "Failure to meet BPI work and documentation standards may void any reimbursements outlined below." Should this be added back to Kenergy's proposal with BPI replaced by KDHBC?

Responses can be e-mailed back to us at psc.tariffs@ky.gov.

If you have any questions, please give us a call at (502) 564-3940 or respond to this e-mail.

Thanks.

Daniel

From: Steve Thompson [REDACTED]
Sent: Friday, July 07, 2017 10:41 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: tariff revisions

Thanks.

Steve Thompson | Vice President of Finance
(o) 800.844.4832 | [REDACTED]
PO Box 1389, Owensboro KY 42302



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Recommended changes to Terms and Conditions of schedule 55

1. The member will contract with a third-party contractor ("Contractor") that performs weatherization projects, including duct sealing. Once the contractor has determined that a residential member's home is eligible for duct sealing as outlined in Item 2, residential weatherization may proceed. Any member-selected contractor's work and documentation must meet Commonwealth of Kentucky Department of Housing, Building, and Construction ("KDHBC") standards. Failure to meet KDHBC work and documentation standards may void any reimbursements outlined below.

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Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 2

Third Revised SHEET NO. 55

CANCELLING PSC NO. 2

Second Revised SHEET NO. 55

CLASSIFICATION OF SERVICE

Residential Weatherization A La Carte Program

Residential Weatherization A La Carte Program

Purpose

This program promotes increased implementation of weatherization improvements among residential members by paying an incentive to eligible residential members who undertake and complete residential weatherization improvements in accordance with this program.

Availability

This DSM program's rates, terms and conditions are available to residential members subject to the limitations and eligibility requirements of this program and to the rules and regulations of this tariff.

Eligibility

A residential member served by Kenergy Corp., who undertakes and completes weatherization improvements, in accordance with this program. Program eligibility is based on the home and not the number of HVAC systems per home.

Member Incentives

Kenergy Corp. will provide a portion of the cost of approved residential weatherization improvements performed in accordance with this program including management costs. Kenergy's total reimbursement shall not exceed the amounts outlined below in Terms and Conditions.

Terms & Conditions

- 1. The member will contract with a third-party contractor ("Contractor") that performs weatherization projects, including duct sealing. Once the contractor has determined that a residential member's home is eligible for duct sealing as outlined in Item 2, residential weatherization may proceed. Any member-selected contractor's work and documentation must meet Commonwealth of Kentucky Department of Housing, Building, and Construction ("KDHBC") standards. Failure to meet KDHBC work and documentation standards may void any reimbursements outlined below.

DATE OF ISSUE June 30, 2017

Month / Date / Year

DATE EFFECTIVE July 31, 2017

Month / Date / Year

ISSUED BY [Signature] (Signature of Officer)

TITLE President & CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. DATED

From: PSC - Tariffs

Sent: Monday, July 17, 2017 9:05 AM

To: 'Steve Thompson' [REDACTED]

Cc: 'Travis Siewert' [REDACTED]

Subject: RE: tariff revisions

Mr. Thompson,

The Pilot Residential Weatherization A La Carte Program was approved by the Commission in Case No. 2015-00119.

In that case, Kenergy proposed that the program be approved as a pilot program in order to determine its effectiveness.

The current filing appears to propose to make this a permanent program.

Please provide information showing the effectiveness of the program and confirm that Kenergy intends to remove the "Pilot" designation from this tariff.

If you have any questions, please give me a call at (502) 564-3940 or respond to this e-mail.

Thanks.

Daniel

Hinton, Daniel E (PSC)

From: Steve Thompson [REDACTED]
Sent: Tuesday, July 18, 2017 11:51 AM
To: PSC - Tariffs
Subject: FW: Weatherization Program

FYI.

From: David Hamilton
Sent: Tuesday, July 18, 2017 10:48 AM
To: Steve Thompson [REDACTED]
Cc: Scott Heath [REDACTED]; Russ Pogue [REDACTED]
Subject: Weatherization Program

Steve:

Please share this information with Daniel at the KPSC.

The A-La-Cart Weatherization Program started in January 2016, and has produced the following results to date.

	total	KWh saved*
Duct sealed	273	371,826
Attic insulation	95	694,830
floor insulation	11	19,151
Smart thermostat	127	161,418
Total KWh saved		1,247,225

*Based on GDS model.

Due to the loss of the contractor performing the duct sealing, that item in the tariff needed to be revised in order to give the member more flexibility to choose a contractor to perform the work. We believe the weatherization program has been successful; therefore, we wish to make it a permanent program.

David Hamilton | VP Member Services
(o) 800.844.4832 | [REDACTED]
P.O. 1389, Owensboro KY 42302-1389



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